

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

**between:**

***Altus Group Limited, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***H. Kim, PRESIDING OFFICER***

***J. Rankin, MEMBER***

***E. Reuther, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessments prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>124064007</b>
<b>LOCATION ADDRESS:</b>	<b>8306 Horton Road SW</b>
<b>HEARING NUMBER:</b>	<b>58976</b>
<b>ASSESSMENT:</b>	<b>\$17,920,000</b>

This complaint was heard on the 30<sup>th</sup> day of August, 2010 at the office of the Assessment Review Board located at the 4<sup>th</sup> Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

**Property Description:**

The subject complaint is of a 200,865 square foot (4.61 acre) vacant parcel of land with frontage on Macleod Trail, Horton Road and Heritage Drive SW. It is assessed on the direct sales comparison approach at \$85/SF with a 5% corner influence added. The subject property sold in November, 2008 for \$20,100,000 (\$100/SF). It had previously sold in October, 2006 for \$13,000,000 (\$65/SF).

**Issues:**

This complaint was heard at the same time as the complaints for six other vacant parcels along Macleod Trail South (Hearing No. 56351, 56355, 56358, 56422, 56431 and 58923). The Complainant identified several issues on the Complaint forms, but at the hearing the two issues argued and considered were:

1. Does the base land rate applied in the assessments reflect market value at July 1, 2009?
2. Are the parcels assessed equitably with other similar properties in the area?

These two issues were decided in Board Order CARB 1358/2010P, and the findings and decisions on each issue applies. For the subject parcel, there is a third issue which was not identified on the Complaint form but is part of Issue 1, market value, and specific to this parcel:

Is the sale price of the subject property the best indicator of market value, and if so, should the assessment reflect the sale price?

**Complainant's Requested Value:** \$12,000,000 revised to \$10,050,000 at the hearing.

**Board's Decision in Respect of Each Matter or Issue:**

**Complainant's Position**

The subject property has higher density than C-COR but the Respondent had stated that density is not considered a factor in the assessment of vacant land on Macleod Trail. The sale occurred in different market conditions, with plans and permits in place. The downturn in the economy has made the project not viable, therefore the sale price of the property is not relevant to the July 1, 2009 valuation date and the assessment should be reduced to \$50/SF to be equitable with similar properties along Macleod Trail as detailed for the other properties under complaint.

**Respondent's Position**

The Respondent did not get details of what value may have been contributed by the plans and permits, and attributed the entire sale price to the vacant land. According to the Alberta Data Search report, the zoning was in place at the time of the first sale in October 2006 for \$65/SF. The parcel sold for \$100/SF in November 2008, reasonably close to the valuation date. The Respondent recognized that the market value declined and it is now assessed at \$85/SF plus 5% corner influence. This is reasonable in view of the sale price and should be confirmed.

**Decision and Reasons:**

The Board agrees that the sale price of the subject can be the best indicator of market value at the sale date, and the requested assessment is 50% less than the sale price. In considering whether this would be reasonable, the Board considered the circumstances of the sale. Details from the RealNet Land Transaction Summary indicate:

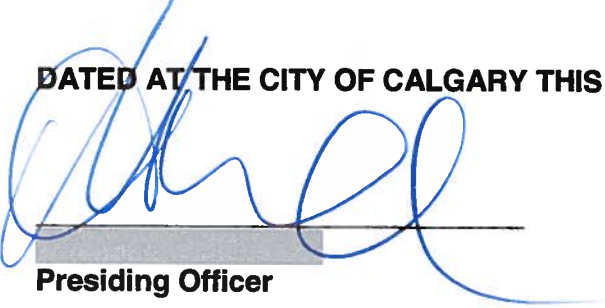
According to published information the purchaser intended to develop the site with a three phase office complex, containing a total gross floor area of approximately 711,263 square feet. Phase One will contain a six storey office building containing 150,612 square feet. Completion is anticipated for 2009. Phase Two will contain a ten storey office building containing 260,651 square feet. Completion is anticipated for 2010. Phase Three will contain approximately 300,000 square feet and there is no estimated time for completion.

It is clear from the documentation that the sale was of a project in the final planning stages that could commence construction within a short time frame. The Board agrees that the sale price reflected more than the value of the vacant land. In view of the significant changes in market conditions between the sale date and the valuation date, the project was no longer viable at the July 1, 2009 valuation date. The sale price of the subject does not impact the appropriate value for assessment purposes as determined by the analysis in CARB 1358/2010P

**Board's Decision:**

The complaint is allowed, in part, and the assessment reduced to \$10,550,000 based on a vacant land rate of \$50/SF plus 5% Corner Lot influence.

DATED AT THE CITY OF CALGARY THIS 9<sup>th</sup> DAY OF SEPTEMBER 2010.

  
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**Presiding Officer**

**APPENDIX "A"****DOCUMENTS RECEIVED AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
C1	Complainant Form
C2	Complainant's Submission
R1	Respondent's Submission

**APPENDIX 'B'****ORAL REPRESENTATIONS**

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
Reid Hutchinson	Altus Group Limited, Complainant
Darryl Genereux	Altus Group Limited, Complainant
Elessio D'Altorio	Assessor, City of Calgary, Respondent

*An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.*

*Any of the following may appeal the decision of an assessment review board:*

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

*An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to*

- (a) the assessment review board, and*
- (b) any other persons as the judge directs.*